

Subject	Adopted by	Date of adoption
<b>Remuneration policy</b>	Board of directors	2018-06-05
Legal or other basis  Luxembourg Law of 17 <sup>th</sup> December 2010 CSSF regulation 10-04 Circular 12/546 Circular 10/437 relating to guidelines concerning the remuneration policies in the financial sector, including Commission Recommendation 2009/384/EC of 30 April 2009	Replaces  Remuneration policy 2017-02-16	Policy owner  Carl-Adam Högberg Niklas Vesterlund

## 1. Introduction

Söderberg & Partners Asset Management S.A., RCS number B184421, (the “**Company**”) is a public limited company incorporated in February 2014, having its registered office at 1 rue Louvigny, L-1946, Luxembourg, governed by Luxembourg law and qualifying as management company under Chapter 15 of the law dated 17 December 2010 on undertakings for collective investment.

The Board (definition below) of the Company has adopted this remuneration policy (the “**Policy**”) with the purpose to promote sound, effective risk management and counteract excessive risk-taking by the Company’s employees. The Policy describes the structure, application and monitoring of the remuneration system.

## 2. Definitions

<b>Analysts</b>	Employees with high complexity in their professional activity, such as analysing financial instruments and developing calculation models and systems. They do not exert a material impact on the Company’s risk level, since they do not take positions either for the Company or the funds managed by the Company.
<b>Board</b>	The board of directors of Söderberg & Partners Asset Management S.A.
<b>Commission Payments</b>	Remuneration that is not determined in advance and not covered by the definition of Variable Remuneration given below.
<b>CSSF</b>	<i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg Supervisory Authority of the Financial Sector.
<b>Employees</b>	Executive Management, Risk-taker, Analysts and Staff.
<b>Executive Management</b>	The conducting officers of the Company.

<b>Investment Managers</b>	Employees in charge of the investment management of the funds under management by the Company.
<b>Remuneration</b>	All payments and benefits to an Employee. Remuneration may consist of, for example, cash salary, other cash payments, remuneration in the form of shares or share-linked instruments, pension provisions, redundancy payments and company car benefits.
<b>Risk-taker</b>	Employee belonging to a category of employees whose professional activity, carried out individually or within a group such as a department or a division of a department, is likely to have a material impact on the Company's risk profile; normally, this means an employee who can enter into agreements or take up positions on behalf of the Company, or otherwise affect the Company's risks. Investment Managers may take positions with regards to the funds managed by the Company that indirectly influence the risk level of the Company and they are therefore covered by the term Risk-takers.
<b>Staff</b>	Employee(s) in charge of the support functions, i.e. whose activity is purely administrative and who do not take any material risk for the Company.
<b>Variable Remuneration</b>	Portion of an Employee's remuneration that is not determined in advance with respect to amount or size, which is awarded on the basis of performance criteria, including bonuses. Remuneration of this kind does not include commission-based salary that is unconnected with the kind of future risk commitments that may come to change the Company's income statement or balance sheet.

### 3. Scope

Remuneration to Employees, as defined above, is covered by this Policy.

The Company's functions for internal auditing and risk management are performed by consultants outside the corporate group, while the Company has an internal compliance function. None of these persons with responsibility for control functions receive any Variable Remuneration from the Company, and are therefore not covered by this Policy. Moreover, since associated representatives to the Company are not by definition Employees, they fall outside the scope of this Policy.

## **4. Governance**

### **4.1. Ownership**

The Board is responsible for (i) deciding on remuneration to the Employees, (ii) establishing and following up on the development of the principles in the Policy, (iii) deciding on the measures to be taken to monitor the application of the Policy, (iv) reviewing and adopting this Policy at least yearly and (v) deciding upon amendments to this Policy.

In the preparation of Board decisions as referred to above, the long-term interests of shareholders, investors and other stakeholders should be considered.

### **4.2. Implementation and execution**

The Executive Management is responsible for (i) ensuring the implementing of the Policy, (ii) reporting on the implementation to the Board at least once a year (iii) initiating the annual review of this Policy (iv) ensuring that the Policy is updated over time to ensure that it evolves to meet the changing situation of the Company and any changes in relevant regulations (v) informing Employees on the criteria that will be used to determine their remuneration and of the appraisal process.

### **4.3. Control**

A review of the adherence to this Policy shall be conducted at least yearly. The compliance function and the internal auditor shall monitor and conduct checks in relation to the Policy's compliance with relevant regulations and the Company's implementation of the Policy.

The outcome of the examinations shall be reported to the Board no later than the date on which the annual report is adopted. Where it is found that the Company's remuneration to an individual Employee deviates from this Policy, the matter should be reported to the Board immediately. The reports shall be put at the disposal of the CSSF.

The Company's compliance officer and risk management function shall be consulted for the establishment of the Policy.

## **5. Guidelines for remuneration**

### **5.1. General**

The Company's remuneration system should at all times be such as, first, to favour the Company's long-term interests such as sustainable growth prospects and, second, to conform to the relevant regulations and statements of principle drawn up for the purpose of protecting the Company's customers, investors and shareholders. The remuneration paid by the Company should not jeopardise the Company's long-term performance and financial position. In addition, as a general principle, the remuneration procedures shall always be applied in such way as to avoid any conflicts of interest.

Remuneration to Employees in the Company may be divided into three categories: fixed remuneration, Variable Remuneration and Commission Payments, as further detailed hereinafter. The Company should ensure that Variable Remuneration and Commission Payments are appropriately balanced against the fixed remuneration paid by the Company.

### **5.2. Fixed remuneration**

The fixed component of the remuneration shall represent a sufficiently high proportion of the total remuneration allowing the Company to operate a fully flexible Variable Remuneration policy.

The proportion of the total remuneration is considered as sufficiently high if the Employees are not deemed to rely on the allocation of Variable Remuneration components in order to get an appropriate salary guaranteeing an adequate lifestyle in Luxembourg.

The directors of the Board receive only fixed compensation for their assignments. When deciding the level of compensation account shall be taken to the time spent on their functions and their respective responsibilities.

### **5.3. Variable Remuneration**

The Policy regarding Variable Remuneration shall satisfy the following conditions:

- the Variable Remuneration will only be paid in case a profit is realised at the end of the financial year of the Company; and
- the result at the end of the financial year of the Company is determined by applying the caution rules and by duly taking the risks effectively incurred by the Company into account.

The Policy regarding Variable Remuneration of Staff is subject to further conditions as follows:

- the potential Variable Remuneration is entirely discretionary (i.e. not contractually guaranteed), and
- the Variable Remuneration depends neither on the overall objective to achieve a certain result nor individual objectives for the Staff to achieve certain results; in other words, the length of service, the professional experience, the particular commitment and compliance with internal rules, procedures and standards, for example, are taken into account for the determination of the individual bonuses.

In the Company, the following categories of Employees can receive Variable Remuneration to some degree:

Executive Management	The Variable Remuneration paid over one year may not exceed a sum corresponding to 24 times the relevant person's monthly salary.
Investment Managers	The Variable Remuneration paid over one year may not exceed a sum corresponding to 18 times the relevant person's monthly salary.
Analysts	The Variable Remuneration paid over one year may not exceed a sum corresponding to 18 times the relevant person's monthly salary.
Staff	The Variable Remuneration paid over one year may not exceed a sum corresponding to 6 times the relevant person's monthly salary.

#### **5.4. Commission Payments**

There are currently no Commission Payments in the Company.

#### **6. Payment of Variable Remuneration**

The Company shall be able to withhold Variable Remuneration entirely or partly when performance criteria are not met by the individual concerned, the business unit concerned or the Company seen as a whole. Where the situation of the Company deteriorates significantly, in particular where it can no longer be presumed that it can or will continue to be able to carry out its business as a going concern, Variable Remuneration will be withheld.

Payments related to the early termination of a contract which are awarded on a contractual basis, shall be related to performance achieved over time and designed in a way that does not reward failure.

All or part of the Variable Remuneration that have been awarded for performance based on data which was subsequently proven to be fraudulent must be repaid to the Company by the member of the Employee concerned.

## 6.1. Proportionality

Based on an internal assessment, taking into consideration the size, internal organisation of the Company, nature and scope of its activities, especially the characteristics of the UCITS managed as further detailed below, the Company intends to rely on a proportional application of the applicable regulatory requirements at the level of the institution:

- All UCITS under management are handled by the same team.
- No UCITS compartment under management exceeds 25 % of the total assets under management, why it is difficult to effectively align the risks of the employees with the risks of the UCITS.
- All managed UCITS are governed primarily by mathematical models, which mitigate the impact on the risk of the UCITS by specific individuals.
- The UCITS managed are only available to institutional investors and therefore do not allow for shares to be distributed to employees.

As a consequence, the Company is not required to set up a remuneration committee and may neutralise the requirements relating to the pay-out process of Variable Remuneration, namely payment in non-cash instruments, retention and deferral as well as *ex post* incorporation of risk. All Variable Remuneration will notably be paid out in cash and not in units of the UCITS under management or other non-cash instruments.

The Company has however decided, on a purely voluntary basis, to apply a deferral period under the conditions specified *infra*, also allowing some *ex-post* risk adjustments.

## 6.2. Deferred remuneration

For the Employees other than the Executive Management and Staff, at least 40% of the Variable Remuneration should be postponed. Executive Management and Risk-takers who have variable portions of remuneration payable at a particularly high rate, at least 60% of the Variable Remuneration should be postponed.

The deferral period shall be at least three to five years before the Variable Remuneration is paid or its ownership is transferred to the Employee. In deciding how large a portion of the Variable Remuneration should be postponed, and for how long, the Company should take into account its own phase in the business cycle, the risks entailed by its operations, such as Employee's responsibilities and duties, and the size of the Variable Remuneration.

The payment of the Variable Remuneration of the Staff shall not be postponed.

The postponed Variable Remuneration must be paid or transferred to the Employee only in the proportion that is defensible with reference to the Company's financial situation and justified in terms of the performance of the Company, the operating unit concerned and the Employee personally. It should also be possible, for the same reasons, to eliminate the postponed portion of the remuneration entirely.

## **7. Performance assessment and risk adjustment**

The Company's assessment of performance on which the calculation of Variable Remuneration is based should be mainly based on profit measures adjusted in terms of both current and future risks.

The Company's performance assessment will be carried out in a perspective of three years in order to ensure, first, that the assessment is based on long-term performance and, second, that the Company's underlying phase in the business cycle and its business risks are taken into account when the performance-based remuneration is paid.

The Company should base the Variable Remuneration rates for Employees apart from the Staff on both (i) individual Employees' performance and (ii) the overall financial performance of the accounting unit concerned and (iii) the Company as a whole. In this assessment, both financial and non-financial criteria should be taken into account, such as compliance with internal rules and procedures, systems and controls of the Company, as well as compliance with the standards governing the relationship with clients and investors. The financial and non-financial criteria on which the Company bases its decisions about remuneration should be specified and documented.

Moreover, the Company must take into account the costs of establishing a sufficient capital base or, where necessary, strengthening its capital base.

## **8. Disclosure**

Without prejudice to confidentiality and data protection provisions, relevant information on the Policy and any updates in case of changes shall be disclosed by the Company in a clear and easily understandable way to relevant stakeholders. The Board has determined that such disclosure will take the form of an independent Policy statement as the present document.

## **9. Information and availability**

The Company should inform all its Employees both about the criteria governing their remuneration and about how their performance is assessed. Information about the assessment process and Policy must be made available to all Employees on the Company's intranet.